

D. SSO 4: National and local government institutions more openly and effectively perform public responsibilities (*Governance*)

A primary challenge in building democracy within developing countries is to increase the effectiveness of government institutions in ways that go beyond mere efficiency. Sustainable democratic governance must encompass various aspects of transparency and accountability, such as responsiveness, accessibility, and citizen involvement. The Center supports the goal of transparent and accountable governance through five themes: encouraging government practices and procedures that oppose and combat government corruption; encouraging central governments to devolve genuine authority for decision-making to local governments; improving the representative, lawmaking, and oversight functions of legislatures; promoting civil-military relations that are supportive of democracy; and assisting partners to implement policy change in a strategic and democratic manner.

The Center's work in the governance area is carried out through the design and implementation of new implementing mechanisms, the development of new technical leadership materials, assistance to missions in carrying out DG assessments and designing programming strategies, and providing other field support.

1. Center Involvement in U.S. Foreign Policy Priorities

As corruption has become an increasing foreign policy concern of the United States, G/DG has been placed at the forefront of a variety of inter-agency tasks, ensuring that USAID's anti-corruption experience is both recognized and applied. The Center worked in an inter-agency group headed by the NSC to help design and roll out the Transparency Initiative of the President's Trip to Africa. The Center also helped design Vice President Al Gore's conference on corruption and provided extensive logistical support for that event and another conference co-sponsored with CIPE and the OECD on the private sector role in fighting corruption. The Center is continuing to work in an inter-agency working group on follow-up activities to the Gore conference. The Center also worked closely with the ANE Bureau to develop a response to the Asian financial crisis, the AERA Initiative. G/DG led a team to Indonesia, the Philippines, and Thailand to assess opportunities and recommend USAID programming for promoting transparency and accountability in government. Lastly, the Center worked with OTI and LAC to explore new approaches to reduce corruption in Hurricane Mitch-related relief efforts.

The Center has developed a pilot program to improve civilian oversight of the military. Working with the Department of Defense (DOD), G/DG developed a program that focuses on civilian audiences. This program will promote approaches to military accountability and civil society advocacy for military transparency and accountability. This complements DOD's Expanded International Military Education and Training program, which focuses primarily on military audiences.

2. Sharing Technical Expertise and Lessons Learned

The Center has, in the past year, completed two governance handbooks and is nearing completion of a third. The handbooks provide technical programming guidance, help missions strategize, and evaluate programming training modules. Inter-bureau coordination and the application of lessons learned have been enhanced as staff from other Agency bureaus took part in handbook guidance reviews.

Providing a conceptual framework for anti-corruption work and examples of the range of interventions possible, *A Handbook on Fighting Corruption* was produced and has helped facilitate dialogue within and outside the Agency on approaches to fighting corruption. The handbook was presented at a heavily attended workshop at the USAID Mission Directors' conference (1998) and distributed at the Gore conference. The Center also used the handbook to train AFR DG officers. Missions in Morocco, Paraguay, and Philippines have asked the Center for further guidance in anti-corruption programming. Evidenced by high demand, a wide variety of audiences have found the handbook useful, including

inquiries and positive feedback from the Czech and Romanian embassies, Radio Free Asia, UNDP, The Asia Foundation, TI, and the World Bank.

This year the Center completed the first draft of a handbook on decentralization programming. In an effort to ensure its practical application and to incorporate case studies into the guidance, the approach was piloted in Bangladesh, Benin, Paraguay, and Senegal. The pilots allowed the Center to improve decentralization programming—to evaluate activities, develop a local government training plan, and help missions strategize. The Center also used the handbook to train DG officers at a LAC regional workshop.

The Center has made significant refinements to the *Handbook on Legislative Strengthening*. A version of this handbook will be distributed in advance of a conference planned for August/September 1999. It will be the first publicly available, widely distributed guidance that begins to define the state-of-the-art in assistance to legislatures in democratizing countries. It will provide an assessment framework for determining the most important areas for investment and identify specific programming alternatives to address the specified areas. The draft handbook was used for training at an AFR regional workshop and a DC-based DG officers' workshop, both in 1998.

The Implementing Policy Change (IPC) contract has made significant advances toward understanding and improving the policy reform and implementation process. Through the contract, a methodology has been developed that promotes the democratic principles of accountability, transparency, and participation; recognizes that the reform process is not linear but multidirectional, calling for action at various, identifiable points along the way; and takes account of the technical, political, and institutional dimensions of reform.

The Center published *Civil-Military Relations: USAID's Role*, a technical publication that reviews past civil-military activities implemented with donor assistance and identifies salient issues in this area.

3. Field Support

The Center brought lessons learned and knowledge from aggregated experience to bear on missions' programs and strategies through TDYs and review and comment on SOWs, R4s, and strategy documents. Regarding anti-corruption, the Center provided comments on ENI and ANE regional initiatives, the LAC results package, the Regional Financial Management project, and an unsolicited proposal from the Carter Center. G/DG staff traveled to **Benin, Indonesia, and Philippines** to conduct anti-corruption assessments.

Center staff traveled to **Tanzania** to assist with design and implementation issues for mission strategy promoting partnership between government and civil society.

G/DG staff visited **Ukraine** to provide a legislative strengthening assessment and **Guatemala** to review legislative strengthening best practices based on a legislative intern program.

Center staff went on TDY to **Bangladesh, Benin, Senegal, and Uganda** to provide advice on democratic local government programs.

This year witnessed increased mission utilization of governance IQCs, affirming both the Center's role in providing expertise and in facilitating mission programming in governance. The IQC mechanisms continued to provide key support for mission governance activities, with 31 active this reporting period and approximately \$9 million in FY 1998 buy-ins. As evidence of the results achieved through governance mechanisms, the Center can point to the development of **Bulgaria's** national strategy for small and medium enterprise development—described by the chairman of their Parliamentary Economic

Committee as the “most democratically developed policy in Bulgaria’s history.” In **Ukraine**, IPC has played a critical role in building coalitions of civil-society, business, and government officials at the *Oblast* (district) level to combat corruption.

4. Program Management

Entering the second year of a four-year, \$2 million grant, TI has helped fund a national integrity workshop in Ghana and an awareness-raising program in Benin. In addition, there is a productive dialogue among local TI chapters, USAID missions, TI headquarters, and the Center on anti-corruption programs in Bangladesh, Bulgaria, Colombia, Dominican Republic, El Salvador, Indonesia, Madagascar, Mozambique, the Philippines, Slovakia, Sri Lanka, and Ukraine. For example, USAID/**El Salvador** funded an exploratory mission of TI-Berlin to El Salvador in October 1998 to assess the interest and commitment of civil society in forming a local chapter and to help kick off a coalition-building process in anti-corruption.

Center staff and the IPC contractors provided valuable technical assistance and field support throughout FY 1998. The Center funded IPC efforts to apply knowledge regarding building constituencies for reform to mobilize support for the implementation of policies to bring Honduras into compliance with its obligations as a member of the World Trade Organization.

With the AFR Bureau, the Center also supported the planning of a regional networking conference, “Effective Policymaking and Good Governance in Africa: The Role of the Executive Office.” Representatives from offices of the president, prime minister, and/or cabinet of nine African countries met in Uganda in March 1999 to exchange experiences and ideas about effective executive office management and the critical policy issues facing them, including decentralization and anti-corruption. By the end of the meeting, delegates had agreed on the importance of an ongoing African Executive Office Network and agreed on a structure to initiate it.

In July 1998, the Center awarded a \$3.8 million, three-year cooperative agreement to NDI to support an experimental program in global civil-military relations. Focusing on civil society actors, the program will support civilian oversight of the military by making the military and defense policymaking more accountable to the citizenry. G/DG’s groundbreaking work in civil-military relations helped lay the foundation for USAID field missions and OTI to launch civil-military interventions in Indonesia and Nigeria. The Center’s civil-military relations program will create a governance and security clearinghouse of information resources, develop civil-military relations resource publications (more than 20 practical country case studies and a book of best practices and lessons learned), and increase in-country programming. Indonesia and Nigeria will be focus countries for civil-military relations in FY 2000.

5. Expected Focus and Results through 2001

The Center will be re-bidding its IQCs in decentralization, legislative strengthening, policy development/regulatory reform, and competing a new IQC in anti-corruption. In response to feedback from the field, the IQCs will be improved in the following ways: increased ceiling for longer term IQC activities; revised cost structure that is more cost-effective for missions, making it more user-friendly; and simplified labor categories for management purposes. In order to augment its capacity to respond to rapidly emerging opportunities, the Center plans to incorporate a rapid-response component into its new IQCs.

Given that IPC funding will be reduced due to budget cutbacks, IPC will change emphasis from applied research to dissemination in order to share significant knowledge developed over the past eight years of

the project. IPC will meet with regional bureaus and field SO teams in priority countries to discuss applications of program findings to meet pressing program needs.

Given budget cutbacks, G/DG has reduced its expected contribution to the civil-military relations grant. It has entered into a co-sponsorship and co-management arrangement with OTI.

Sharing of lessons learned will be a focus for the Center's governance work in the coming year. The first of four regional lessons learned conferences will be held in the ENI region in conjunction with TI. These conferences will include training of both DG and EG field officers in anti-corruption as well as strategies to improve DG/EG cross-sectoral approaches to the issue. Case studies based on lessons learned will be produced for each conference. The Center will take an active role in the planning and development of the 9th International Anti-Corruption Conference to be held in Durban, South Africa, in October 1999. Follow-up on initiatives launched at the Gore conference will also be a Center priority. The Center will sponsor a second international legislative strengthening conference for DG officers, implementing partners, and legislative members and staff that focuses on program development, the needs of legislatures in young democracies, and measurement of progress in assistance for legislatures.

The Center will move from aggregating and consolidating information from field experience and the literature to promoting use of the information by DG field officers. Center staff will assist missions, drawing on lessons in anti-corruption, decentralization, and legislative strengthening; guidance handbooks in these areas will be distributed.

Anticipated governance focus countries differ according to the governance priority areas of governmental integrity, democratic decentralization, legislative strengthening, civil-military relations, and policy implementation. However, some clear priority countries are evident. These include Bolivia, Bulgaria, Indonesia, Nigeria, Uganda, and West Bank-Gaza.